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Report Highlights: Korea is expected to import 1.3 MMT of soybeans in MY 2006/7 and MY 2005/06. A comparison of Korean soybean imports during the first three months of MY 2005/06 (Oct.-Dec., 2005) indicates a sharp decrease in U.S. soybean exports to Korea from the previous year. In contrast, Brazilian exports have more than doubled compared to the same period during the previous year.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Table of Contents

SECTION I. SITUATION AND OUTLOOK.....	3
SECTION II. STATISTICAL TABLES OF OILSEED.....	7
Soybean, Oilseed PS&D	7
Soybean Import Trade Matrix	8
KOREA: Korean Economic Forecast for 2006	9
KOREA: Oilseed Area and Production.....	9
KOREA: Soybean Production.....	9
KOREA: Government Purchases of Soybeans	10
KOREA: Soybean Farm Gate Price Index	10
KOREA: Soybean Imports for Oct.-Dec. by Origin	11
Subtotal.....	11
KOREA: Distribution, by State Trading Entities, of Soybeans for Food Manufacturing.....	12
KOREA: Soybean Consumption for Crushing	12
KOREA: Soybean Crushing Capacity.....	12
KOREA: Oilseed Imports	13
KOREA: Soybean Powder Imports.....	13
KOREA: Tariff Schedule For Oilseeds.....	14
SECTION II. STATISTICAL TABLES OF MEALS.....	15
Soybean Meal PS&D.....	15
Soybean Meal Import Trade Matrix.....	16
Rapeseed Meal Import Trade Matrix	18
KOREA: Soybean Meal Production.....	19
KOREA: Feed Ingredients use	19
KOREA: Soybean Meal Inclusion Rate for Compound Feed	20
KOREA: Imports of Major Protein Meals	20
KOREA: Soybean Meal Imports for Oct.-Dec. by Origin	20
KOREA: Feed Production by Animal-type.....	21
KOREA: Animal Inventory	21
KOREA: Applied Tariff Schedule for Oil Cake and Meals	22
SECTION II. STATISTICAL TABLES OF OILS	23
Soybean Oil PS&D	23
Soybean Oil Import Trade Matrix	24
Palm Oil PS&D	25
Palm Oil Import Trade Matrix	26
KOREA: Vegetable Oil Production 1/	27
KOREA: Soybean Oil Production	27
KOREA: The Supply of Edible Oils	28
KOREA: Fats And Oils Imports.....	28
KOREA: Soybean Oil Imports for Oct.-Dec. by Origin	29
KOREA: Applied Tariff Schedule For Fats And Oils	29

SECTION I. SITUATION AND OUTLOOK

The Bank of Korea forecasts that the potential GDP growth rate for 2006 is 5 percent compared to 4 percent in 2005 as a result of additional consumer spending. Consumer price increases are expected to remain in the three percent range. The unemployment rate is likely to hover in the mid-three percent range. The current account surplus is expected to reach approximately \$16 billion in 2006 because the goods account surplus will shrink somewhat while the service account deficit will grow in comparison to last year. Korean economists and market analysts expect that Korea's potential growth rate stands at 4.2 – 4.3 percent. The Korean won (KRW) strengthened to KRW 1,024.24 per U.S. dollar in CY 2005 from KRW 1,146.19 per U.S. dollar in CY 2004.

OILSEEDS

Production: In MY 2006/07, Korea's soybean area is expected to decrease slightly to a level of 100,000 HA. Area is expected to decrease slightly in response to less attractive farm gate prices for soybeans. Soybean production is forecast at 150,000 metric tons (MT) in MY 2006/07 assuming average yields. In MY 2005/06, increased soybean area and record yields resulted in increased soybean production to 183,000 MT (from 139,000 MT in MY 2004/05).

Since 2002, the Ministry of Agriculture and Forestry (MAF) has maintained a rice area reduction program with favorable government purchase prices for soybeans grown on former rice paddies. During MY 2005/06, MAF purchased 9,200 MT of soybean cultivated in converted rice paddies at KRW 4,204/kg (equivalent to US\$4.20/kg). MAF also purchased 3,000 MT of soybeans grown in upland production areas at KRW 3,017/kg (equivalent to US\$3.00/kg). Purchase prices under the rice area reduction program are expected to remain at the same levels in MY 2006/07. Purchasing prices for soybeans grown on former rice area and upland area are expected to be equalized in MY 2007/08.

Consumption: Total soybean consumption is forecast to increase slightly in MY 2006/07 to a level of 1.46 MMT comprised primarily of 1 MMT for crushing and .42 MMT for food use. Crushing use is expected to remain unchanged in MY 2006/07 from previous year levels while food use is expected to increase 20,000 MT. Lack of growth in crushing demand reflects the growing competition Korean crushers face from imported South American oil and meal from Brazil and India.

Stocks: Ending stocks of soybeans are expected to contract slightly from .16 MMT in MY 2005/06 to .15 MMT in MY 2006/07.

Trade: Soybean imports are expected to remain at 1.3 MMT in MY 2006/07 reflecting stable demand from the crushing sector. The United States is projected to export .8 MMT of soybeans to Korea in both MY 2005/06 and MY 2006/07. U.S. soybean exports to Korea are dependent on the level of competition from Brazil. Brazil's share of the Korean soybean market increased from 15 percent in MY 2003/04 to 28 percent in MY 2004/05. Korean crushers perceive Brazilian soybeans to be competitive with U.S. soybeans for at least six months after the Brazilian harvest. Korean crushers claim that Brazilian soybeans purchased during the six month period following harvest have higher oil and protein content than U.S. soybeans available during the same period.

In the first three months of MY 2005/06 (Oct.-Dec. 2005), soybean imports were 29 percent higher than the same period of the previous year. The increased pace of imports during the first three months of MY 2005/06 reflects traders' correct assessment that the import tariff for soybeans would increase in CY 2006. Consequently, the initial pace of imports in MY 2005/06 is not expected to be maintained throughout the entire marketing year. The in-quota tariff for soybeans for crushing increased from zero in 2005 to 1 percent in 2006.

NON-GMO SOYBEANS

The Korea Agro-Fishery Trade Corporation (abbreviated "aT"), a state trading company, is expected to continue to buy U.S. No. 1 non-biotech-enhanced soybeans for food processing through an identity preserved (IP) certification system under a tariff rate quota (TRQ). "aT" plans to import non-GMO soybean to meet steady demand from manufacturers of soybean curd, soy sauce, soy paste, and soy-based seasonings under the 2006 soybean TRQ of 270,000 MT. About 10,000 MT of soybeans for sprouting purpose are also included in the TRQ. China has been the major supplier of soybeans for sprouting.

Private importers are expected to continue importing approximately 60,000 MT of soybeans for food purposes mainly from China. Chinese soybeans imported by private sector buyers are subject to the out-of-quota import tariff of 487 percent or Korean Won 956/kg, whichever is greater. Seventy percent of the soybeans imported from China are used for sprouting, 20 percent are used to make soybean curd, and the remaining ten percent are used to make soybean-based seasonings.

Poolmoowon, a leading organic food processor in Korea, has produced soybean-curd products using local soybeans and Chinese organic soybeans. The company imported 3,000 MT of organic soybeans from China produced under contract.

MEAL

Production: The production of soybean meal in MY 2006/07 is expected to remain at .8 MMT as in MY 2005/06 reflecting the stable level of crushing. The domestic crushing industry has shifted to production of dehulled soybean meal to meet demand from feed millers. Crushers report that dehulled soybean meal containing 47.5 percent of crude protein (minimum) accounted for 25 percent of locally crushed soybean meal production in 2005. The largest domestic crushing company, which produces 45 percent of all domestically produced soybean meal, has been producing only dehulled meal since August 2005.

Consumption: Feed demand for soybean meal has room for growth given the low soybean meal-inclusion rate in animal rations relative to levels animal nutritionists generally recommend.

Compound feed production in MY 2006/07 is projected to decrease slightly in response to slight reductions in cattle and swine inventories. Poultry numbers are expected to remain stable. The projected decrease in compound feed production is expected to be offset by improvement in the soybean meal inclusion rate in compound feed. As a result, soybean meal consumption is expected to increase marginally to 2.3 MMT in MY 2006/07. Korean feed millers claim to prefer soybean meal to other oil meals because the supply of soybean meal has been more reliable. The

rapeseed meal inclusion rate will remain at around 2 percent of total compound feed production due to a limited supply and demand.

Trade: In MY 2006/07, Korea is forecast to import 1.5 MMT of soybean meal for feed purposes; a 50,000 MT increase from the previous year. Increased imports reflect an increase in the soybean inclusion rate in compound feed. Brazil has dominated the Korean soybean meal market during MY 2005/06. U.S. soybean meal exports are expected to amount to only 5,000 MT in MY 2005/06 and MY 2006/07. Imports of U.S. soybean meal are expected to occur via containerized shipment. Feed millers recognize the value of U.S. dehulled soybean meal in rations for swine, poultry and aquaculture. Continued market development will encourage feed millers to opt for U.S. soybean meal when U.S. prices are attractive vis-à-vis South American meals.

OIL

Production: In MY 2006/07, oil production is forecast to remain unchanged from MY 2005/06 at 180,000 MT. Narrow crushing margins are expected to continue through MY 2006/07 and limit crusher interest in expanding oil production.

Consumption: Total soybean oil consumption in MY 2006/07 is expected to increase to 428,000 MT from 418,000 MT in MY 2005/06. MY 2006/07 consumption is expected to be comprised of 410,000 MT of food use and 18,000 MT of industrial use. Although domestically crushed oil has dominated the Korean market for vegetable oil, it is not competitive for use in restaurants and processing of oil-based foods. Utilization of soybean oil has been very limited in processing of oil-based foods because of technical difficulties in further processing RBD soybean oil into the oil suitable for oil-based food processing. The functionality and price of palm oil has met demand in this area better than soybean oil.

Growing concerns among the Korean public about trans-fat from hydrogenated soybean oil have dampened demand for soybean oil for food processing relative to substitutes. Implementation of mandatory labeling of for trans-fat content in the United States focused attention on the issue in Korea. Increasing concerns about trans-fat are expected to eventually result in similar trans-fat labeling regulations in Korea and, in turn, a further reduction in consumption of products containing hydrogenated soybean oil.

U.S. Soybean Export Council (USSEC) market development efforts can assist the Korean food industry and crushers in adapting their production to the new environment resulting from increased consumer awareness of trans-fat. Among other activities, USSEC provision of technical and marketing assistance can help the Korean industry develop trans-fat free soybean oil for oil-based food processing and expand the market for their domestically crushed soybean oil derived from imported U.S. soybeans.

Trade: MY 2006/07 soybean oil imports are projected at 250,000 MT as are MY 2005/06 imports. Imports of soybean oil have increased to more than half of total oil demand in recent years. Soybean oil imported from South America has been competitive with domestically produced soybean oil derived from imported soybeans. Food processors that use soybean oil as an input and restaurants have come to rely heavily on imported soybean oil.

In MY 2004/05, exports of U.S. soybean oil to Korea increased to 14,340 MT; a 33 percent increase from the previous marketing year. Although importers are reportedly willing to pay a premium of nearly \$10/MT for U.S. soybean vis-à-vis Argentine soybean oil, the current price spread between U.S. and South American soybean oil has prompted Korean refineries to purchase South American soybean oil in MY 2005/06.

In MY 2004/05, palm oil imports increased to 227,435 MT, up 7 percent from a year earlier. The functionality and price of palm oil meets demand for processing of foods within the instant noodle and confectionary sectors. Consequently, imports of palm oil have been increasing along with growth in the Korean food industry. Palm oil imports are expected to continue to grow moderately. Palm stearin has a steady demand from the feed and soap industries.

TARIFFS

A 1.4 MMT tariff rate quota (TRQ) was established for imports of soybeans for crushing in 2006. In contrast to the 2005 TRQ, the in-quota rate was increase from zero to one percent. The in-quota tariff for the 2006 TRQ for soybeans for food processing remains unchanged at five percent for 185,787 MT. Out-of-quota soybeans will be assessed a tariff of 487 percent or Korean won 956/kg, whichever is greater. Soybean meal, soybean oil, and cottonseed oil tariff rates in 2006 remain in line with the terms of a 1993 U.S./Korean bilateral agreement.

TRQ's for rapeseed oil imports do not have a quantitative limitation. The in-quota tariff rate for crude rapeseed oil has been reduced 2 percent to 8 percent in 2006. The in-quota tariff rate for refined rapeseed oil has been reduced from 30 percent in 2005 to 10 percent in 2006. (See the tables below for details.)

MARKET OPPORTUNITIES

Over the next three to five years, the oilseed market is expected to be stagnant due to narrow crushing margins to local crushers who has suffered from less competitive price of locally processed soybean products than imported soybean products. The economic recovery currently underway is expected to support strengthening demand for food and feed grade oilseeds as consumer preference for, and consumption of, oilseed-based products and animal protein grow. Despite the increased domestic production of soybeans in the course of rice area reduction programs, oilseed imports will remain necessary because domestic production will always be insufficient to meet market requirements for both feed and food quality beans. Important trends that could affect U.S. exports include changing consumer perceptions of biotechnology and products derived from genetically enhanced ingredients; changes to oilseed, meal and vegetable oil tariffs; the availability of affordable commercial credit; and market development efforts.

SECTION II. STATISTICAL TABLES OF OILSEED

Soybean, Oilseed PS&D

PSD Table

Country	Korea, Republic of						
Commodity	Oilseed, Soybean						
	(1000 HA)		(1000 MT)				
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [	Estimate[1]	USDA Official [	Estimate[1]	USDA Official [	Estimate[New]	
Market Year Begin	10-2004		10-2005		10-2006		MM/YYYY
Area Planted	80	85	0	105	0	100	(1000 HA)
Area Harvested	85	85	86	105	0	100	(1000 HA)
Beginning Stocks	118	119	100	120	100	160	(1000 MT)
Production	139	139	125	183	0	150	(1000 MT)
MY Imports	1240	1240	1300	1300	0	1300	(1000 MT)
MY Imp. from U.S.	0	827	0	800	0	800	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	1497	1498	1525	1603	100	1610	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Crush Dom. Consumption	997	975	1025	1000	0	1000	(1000 MT)
Food Use Dom. Consump	357	360	360	400	0	420	(1000 MT)
Feed,Seed,Waste Dm.Cr	43	43	40	43	0	43	(1000 MT)
TOTAL Dom. Consumptio	1397	1378	1425	1443	0	1463	(1000 MT)
Ending Stocks	100	120	100	160	0	147	(1000 MT)
TOTAL DISTRIBUTION	1497	1498	1525	1603	0	1610	(1000 MT)
Calendar Year Imports	0	1330	0	1300	0	0	(1000 MT)
Calendar Yr Imp. U.S.	0	791	0	800	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Soybean Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodity Oilseed, Soybean

Time Period **Oct/Sep** Units: **1000MT**
 Imports for: **2003** **2004**
 U.S. **1101** U.S. **827**

Others		Others	
Brazil	202	Brazil	343
China	64	China	69

Total for Others 266 412
 Others not Listed **1** **1**
 Grand Total 1368 1240

Source: Korea Customs Service (KCS)

KOREA: Korean Economic Forecast for 2006		
Item	2005a/	2006b/
GDP (%)	4	5
Current Account (billion U.S.\$)	16.6	16
Consumer Prices (%)	2.8	3.0
Unemployment (%)	3.7	3.6

A/ Estimate

B/ Forecast

Source: Bank of Korea

KOREA: Oilseed Area and Production (Hectares and Metric tons)				
Crops	2004		2005	
	Area	Production	Area	Production
Soybean	85,270	135,570	105,421	183,338
Rapeseed	1,148	1,392	1,100a/	1400a/
Peanuts b/	3,454	8,257	3,352	8000
Sesame	31,843	20,863	33,971	23,461
Perilla	24,368	18,346	24,000a/	18,300a/
Total	146,083	184,428	167,844a/	234,499a/

a/ FAS/Seoul estimates.

b/ In-shell

Source: Ministry of Agriculture and Forestry

KOREA: Soybean Production			
Crop Year	Area (HA)	Yield (KG/HA)	Production (MT)
1985	155,964	1,500	233,863
1990	152,265	1,529	232,786
1995	105,035	1,520	159,640
1999	87,026	1,334	116,120
2000	86,176	1,314	113,196
2001	78,415	1,501	117,723
2002	80,804	1,423	115,024
2003	80,447	1,306	105,089
2004	85,270	1,625	138,570
2005	105,421	1,739	183,338

Source: Ministry of Agriculture and Forestry

KOREA: Government Purchases of Soybeans (MT, KRW/Kg)								
Soybeans	2002		2003		2004		2005	
	Price	Quantity	Price	Quantity	Price	Quantity	Price	Quantity
Grown in rice paddy area	4,770	2,526	4,770	5,438	4,770	10,462	4,204	9200
Grown in upland area	2,407	2,500	2,407	none	2,407	none	3,017	3,000

Source: Ministry of Agriculture and Forestry

KOREA: Soybean Farm Gate Price Index		
Year and Months		Price Index
2000		100
2001		91.9
2002		94.8
2003		109.7
2004		125
Month	2004	2005
January	123	123.2
February	127.5	124.0
March	131.9	172.2
April	144.9	128.3
May	150.2	126.7
June	162.1	123.5
July	156.2	121.5
August	143.9	120.8
September	135.6	119.0
October	123.6	108.2
November	122.5	99.4
December	121.7	na

Source: National Livestock Cooperative Federation (NACF)

KOREA: Soybean Imports for Oct.-Dec. by Origin (Unit: MT)					
Soybean for Crushing					
MY2005/06	USA	Brazil	China	Others	Total
Oct. 2005	0	79,573	0	0	79,573
Nov	1,500	57,090	0	0	58,650
Dec	87,813	56,313	0	0	144,126
Subtotal	89,313	192,976	0	60	282,349
MY2004/05 a/	111,450	87,800	0	0	199,250
Soybean for Food					
MY2005/06	USA	Brazil	China	Others	Total
Oct. 2005	24,321	4,300	8,488	18	37,127
Nov	0	3,386	10,749	18	14,153
Dec	51,726	3,260	12,015	9	67,047
Subtotal	76,084	10,946	31,252	45	118,327
MY2004/05 a/	88,853	0	20,945	1,500	111,298
Total					
MY2005/06	USA	Brazil	China	Others	Total
Oct. 2005	24,321	83,873	8,488	18	116,700
Nov	1,500	60,476	10,749	78	72,803
Dec	139,576	59,573	12,015	9	211,173
Subtotal	165,397	203,922	31,252	105	400,676
MY2004/05 a/	200,303	87,800	20,945	1,500	310,548

a/ October – December 2004

Source: Korea Customs Service (KCS)

KOREA: Distribution, by State Trading Entities, of Soybeans for Food Manufacturing (Calendar Year, Metric Ton)			
Item\Year	2003	2004	2005
Soybean Curd	107,665	131,435	125,274
Soy Sauce	40,995	45,005	44,500
Soy Paste	4,287	4,700	3,824
Soy Milk	30,461	28,000	26,478
Others 1/	472	420	1,360
Sub. Total	183,880	209,555	201,436
By product 2/	30,158	31,000	30,930
Grand Total	214,038	240,555	232,366

Note: Quantity is on the basis of cleaned soybeans.

1/ Government, military employees and others

2/ Feed

Source: Korea Agro-Fishery Trade Corporation (aT)

KOREA: Soybean Consumption for Crushing (Metric Ton)				
Month	MY 02/03	MY 03/04	MY 04/05	MY 05/06
October	110,113	97,863	69,135	66,300
November	108,508	115,975	87,037	73,100
December	111,707	117,442	75,014	65,700
January	108,673	84,334	76,609	na
February	102,386	98,243	83,257	na
March	110,162	100,503	83,880	na
April	106,423	93,969	82,606	na
May	95,080	75,925	89,274	na
June	73,613	78,691	79,455	na
July	99,905	84,006	83,000	na
August	100,687	75,157	89,400	na
September	83,880	66,811	76,700	na
Total	1,211,137	1,088,919	975,367	205,100

Source: Korea Soybean Processing Association

KOREA: Soybean Crushing Capacity (As of January 2005)		
Soybean Crusher	Capacity (MT/day)	Location
Shin Dong Bang Corp	1,150	Inchon
CJ Corp	1,850	Inchon
Samyang Fat and Oil Co.	700	Inchon
Total	3,700	

Note: Day=24 hours processing basis for 330 days

Source: Soybean Crushing Industry

KOREA: Oilseed Imports (Metric Tons, \$1,000)				
	MY 2003/04		MY 2004/05	
	Volume	Value	Volume	Value
Soybean	1,368,032	480,522	1,240,095	380,363
Peanuts, in shell	612	148	637	184
Peanut, shelled	2,841	929	3,151	1,248
Linseed	75	37	134	128
Rapeseed	6	14	742	254
Sunflower Seed	1,233	1,296	1,087	1,392
Cottonseed	106,250	21,855	127,183	24,047
Castor Bean	610	88	107	50
Sesame Seed	75,119	77,510	68,757	64,951
Mustard Seed	1,857	1,039	2,516	1,390
Safflower Seed	572	205	381	152
Perilla Seed	22,969	11,494	25,891	12,305
Total	1,580,176	595,137	1,470,681	486,464

Source: Korea Customs Service

KOREA: Soybean Powder Imports (MT, \$1,000)				
Country	2004		2005	
	Quantity	Value	Quantity	Value
U. S .A	1,146	613	1,022	535
China	12,270	6,370	17,089	8,009
Australia	9	7	21	21
Japan	0	0	0	0
Russia	0	0	69	24
Ukraine	251	123	0	0
Myanmar	18	8	0	0
Total	13,162	7,121	18,202	8,591

Source: Korea Customs Service

KOREA: Tariff Schedule For Oilseeds (Percent)				
Commodity	H.S. Code	2004	2005	2006
Soybean 1/	1201.00.0000	5(0)	5(0)	5(1)
Peanuts, in Shell 2/	1202.10.0000	40	40	40
Peanuts, Shelled 2/	1202.20.0000	24	24	24
Copra	1203.00.0000	3	3	3
Linseed	1204.00.0000	3	3	3
Rapeseed 3/	1205.00.0000	20(10)	20(10)	20(10)
Sunflower Seed	1206.00.0000	25	25	25
Cottonseed	1207.20.0000	3	3	3
Castor Beans	1207.30.0000	3	3	3
Sesame Seed 4/	1207.40.0000	40	40	40
Mustard Seed	1207.50.0000	3	3	3
Safflower Seed	1207.60.0000	3	3	3

Note: The Seed Industry Act restricts imports of listed commodities for planting seed purposes.

1/ The number in parenthesis in 2006 is assessed on the first 1.414 MMT of soybeans imported for crushing purposes. An applied duty of 5 percent is applied for 185,787 MT of food grade soybeans imported by Korea Agro-Fishery Trade Corporation (abbreviated as "aT") under the tariff rate quota. Soybeans imported out-of-quota by private importers are assessed a tariff of 487 percent or Korean won 956/Kg, whichever is greater.

2/ The in-quota amount is 4,907.3 MT on a shelled basis. Peanuts imported out-of-quota are assessed a tariff of 230.5 percent.

3/ The number in parenthesis is the applied (temporary) duty on all rapeseed imported.

4/ The in-quota amount is 6,731 MT. Sesame imported out-of-quota is assessed a tariff of 630 percent or Korean won 6,660/Kg, whichever is greater.

Source: Korea Customs Research Institute, Tariff Schedules of Korea.

SECTION II. STATISTICAL TABLES OF MEALS

Soybean Meal PS&D

PSD Table

Country	Korea, Republic of					
Commodity	Meal, Soybean					
	(1000 MT)(PERCENT)					
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [	Estimate[1]	USDA Official [	Estimate[1]	USDA Official [	Estimate[New]
Market Year Begin	10-2004		10-2005		10-2006	MM/YYYY
Crush	997	975	1025	1000	0	1000 (1000 MT)
Extr. Rate, 999.9999	0.787362	0.791795	0.787317	0.792	0	0.792 (PERCENT)
Beginning Stocks	200	198	220	200	230	200 (1000 MT)
Production	785	772	807	792	0	792 (1000 MT)
MY Imports	1462	1444	1510	1450	0	1500 (1000 MT)
MY Imp. from U.S.	0	2	0	5	0	5 (1000 MT)
MY Imp. from the EC	0	0	0	0	0	0 (1000 MT)
TOTAL SUPPLY	2447	2414	2537	2442	230	2492 (1000 MT)
MY Exports	0	0	0	0	0	0 (1000 MT)
MY Exp. to the EC	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Consum	0	0	0	0	0	0 (1000 MT)
Food Use Dom. Consum	50	25	52	25	0	25 (1000 MT)
Feed Waste Dom. Consu	2177	2189	2255	2217	0	2267 (1000 MT)
TOTAL Dom. Consumpti	2227	2214	2307	2242	0	2292 (1000 MT)
Ending Stocks	220	200	230	200	0	200 (1000 MT)
TOTAL DISTRIBUTION	2447	2414	2537	2442	0	2492 (1000 MT)
Calendar Year Imports	0	1490	0	1500	0	1500 (1000 MT)
Calendar Yr Imp. U.S.	0	4	0	5	0	5 (1000 MT)
Calendar Year Exports	0	0	0	0	0	0 (1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0 (1000 MT)

Soybean Meal Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodity Meal, Soybean

Time Period Oct/Sep Units: 1000MT

Imports for: 2003 2004

U.S. 1 U.S. 2

Others Others

Brazil	431	Brazil	911
India	726	India	153
Argentina	102	Argentina	359
China	21	China	14

Total for Others 1280 1437

Others not Listed 12 5

Grand Total 1293 1444

Source: Korea Customs Service (KCS)

PSD Table

Country	Korea, Republic of						
Commodity	Meal, Rapeseed						
	(1000 MT)			(PERCENT)			
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [	Estimate[1]	USDA Official [	Estimate[1]	USDA Official [	Estimate[New]	
Market Year Begin	10-2004		10-2005		10-2006		MM/YYYY
Crush	3	1	2	1	0	1	(1000 MT)
Extr. Rate, 999.9999	0.333333	1	0.5	1	0	1	(PERCENT)
Beginning Stocks	35	67	43	45	43	31	(1000 MT)
Production	1	1	1	1	0	1	(1000 MT)
MY Imports	292	292	315	300	0	300	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	328	360	359	346	43	332	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	47	30	45	30	0	20	(1000 MT)
Food Use Dom. Consum	0	0	0	0	0	0	(1000 MT)
Feed Waste Dom. Consu	238	285	271	285	0	285	(1000 MT)
TOTAL Dom. Consumpti	285	315	316	315	0	305	(1000 MT)
Ending Stocks	43	45	43	31	0	27	(1000 MT)
TOTAL DISTRIBUTION	328	360	359	346	0	332	(1000 MT)
Calendar Year Imports	0	290	0	300	0	300	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Rapeseed Meal Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodity Meal, Rapeseed

Time Period **Oct/Sep** Units: **1000MT**
 Imports for: **2003** **2004**
 U.S. **0** U.S. **0**
 Others Others

India	277	India	274
China	30	China	10

Total for Others 307 284
 Others not Listed **2** **8**
 Grand Total 309 292

Source: Korea Customs Service (KCS)

KOREA: Soybean Meal Production (Metric Ton)			
Month	MY 03/04	MY 04/05	MY 05/06
October	74,166	52,007	50,275
November	87,160	63,602	55,745
December	87,760	60,863	49,249
January	64,761	58,126	Na
February	74,277	63,673	Na
March	76,996	63,324	Na
April	71,085	62,109	Na
May	57,934	67,986	Na
June	59,835	60,931	Na
July	64,305	63,288	Na
August	56,856	67,821	Na
September	50,078	59,080	Na
Total	825,212	742,808	155,269
Extraction Rate	75.78%	76.16%	75.70%

Source: Korea Soybean Processing Association

KOREA: Feed Ingredients use				
Items	MY 2003/04		MY 2004/05	
	1,000 MT	Percent	1,000 MT	Percent
Total Grains and Grain Substitution	9,831	65.8	9,896	65.5
- Wheat	859	5.8	1,153	7.6
- Corn	6,614	44.3	6,619	43.8
- Others	2,358	15.7	2,124	14.1
Total Vegetable Protein	3,398	22.8	3,510	23.2
- Soybean Meal	2,052	13.7	2,116	14.0
- Rapeseed Meal	283	1.9	285	1.9
- Cottonseed Meal	45	0.3	53	0.4
- Palm Kernel Meal	310	2.1	343	2.3
Copra Meal	374	2.5	397	2.6
- Others	334	2.3	316	2.0
Total Animal Protein	143	1.0	129	0.9
- Fish meal	43	0.3	41	0.3
- Meat & Bone Meal	23	0.2	19	0.1
- Others	77	0.5	69	0.5
Total Others	1,564	10.4	1,575	10.4
TOTAL COMPOUND FEED	14,936	100	15,110	100

Source: Korea Feed Association

KOREA: Soybean Meal Inclusion Rate for Compound Feed				
Animal Type	MY2003/04		MY2004/05	
	Soybean Meal Inclusion Rate (Percent)	Compound Feed Production (1,000M/T)	Soybean Meal Inclusion Rate (Percent)	Compound Feed Production (1,000M/T)
Layer	13-18	1,983	13-18	2,134
Broiler 1/	18-23	1,813	18-23	2,054
Swine	15-21	5,473	15-21	5,244
Dairy Cattle	less than 5	1,670	less than 5	1,599
Beef Cattle 2/	less than 2	3,043	less than 2	3,213
Others	13-18	866	13-18	815
Total (1,000MT)	2,052	14,848	2,116	15,059

1/ Include chicks

2/ Include Breeding Cattle

Source: America Soybean Association/Seoul

KOREA: Imports of Major Protein Meals (October/September)				
	MY 2003/04		MY 2004/05	
	Volume (MT)	Value (1,000\$)	Volume (MT)	Value (1,000\$)
Soybean Meal	1,292,642	378,334	1,444,410	374,555
Rapeseed Meal	308,864	52,448	292,267	44,560
Fish Meal	40,778	31,316	48,260	36,681
Bone Meal	805	517	199	561
Cottonseed Meal	40,066	8,068	59,771	9,634
Sunflower Seed Meal	243	26	7,806	1,103
Copra Meal	387,372	44,062	402,878	45,716
Palm Kernel Meal	348,820	30,604	412,599	29,684
Corn Germ Meal	3,873	655	0	0
Others	78,031	7,982	150,580	15,707
Total	2,501,494	554,012	2,818,770	558,201

Source: Korean Customs Service (KCS)

KOREA: Soybean Meal Imports for Oct.-Dec. by Origin (Unit: MT)							
MY2005/06	USA	Brazil	Argentina	India	China	Others	Total
Oct. 2005	475	133,869	20,250	606	2,722	161	158,083
Nov	320	81,458	59,277	339	2,107	120	143,621
Dec	588	83,730	38,543	1,069	857	119	124,906
Subtotal	1,383	299,057	118,070	2,014	5,686	400	426,610
MY2004/05 a/	19	311,103	54,175	7,990	6,381	771	380,439

a/ October – December 2004

Source: Korea Customs Service (KCS)

KOREA: Feed Production by Animal-type (October/September, 1,000 MT)			
Animal Type	MY 2003/04	MY 2004/05	MY 2005/06 a/
Poultry	3,796	4,188	4,100
Swine	5,473	5,244	5,300
Cattle	4,713	4,812	4,900
Others b/	866	815	800
Total	14,848	15,059	15,100

a/ FAS/ Seoul forecast

b/ include ducks, pet food, rabbit, horse, sheep, deer, quail etc.

Source: Korea Feed Association (KFA)

KOREA: Animal Inventory (1,000 Head, 1,000 Birds)					
Animal	Year	March	June	September	December
Beef Cattle	2002	1,371	1,448	1,461	1,410
	2003	1,337	1,423	1,464	1,480
	2004	1,521	1,627	1,667	1,666
	2005	1,654	1,757	1,825	1,819
	2006	1,820 c/	1,927 c/	na	1,940c/
Dairy Cattle	2002	548	545	543	544
	2003	552	541	526	519
	2004	517	509	503	497
	2005	497	491	485	479
	2006	478 c/	476 c/	na	467c/
Swine	2002	8,719	8,791	9,033	8,974
	2003	9,027	9,051	9,287	9,231
	2004	9,189	9,017	9,046	8,908
	2005	8,838	8,786	8,993	8,962
	2006	9,029 c/	9,056 c/	na	9,070d/
Layer a/	2002	50,471	49,589	50,299	50,191
	2003	48,740	49,080	49,380	48,350
	2004	47,910	48,060	49,090	48,000
	2005	51,370	54,390	55,020	53,392
	2006	53,420 c/	52,490 c/	na	52,180d/
Broiler b/	2002	52,436	72,193	47,118	45,005
	2003	47,490	66,756	42,451	44,803
	2004	36,493	62,170	47,714	50,120
	2005	52,740	88,137	65,830	50,422
	2006	57,090 c/	na	na	67,330d/

a/ excluding breeders.

b/ excluding multi-use broilers.

c/ Korea Rural Economic Institute Forecast.

d/ Annual Average by Korea Rural Economic Institute Forecast

Source: Korea Rural Economic Institute

KOREA: Applied Tariff Schedule for Oil Cake and Meals (Percent)				
Commodity	H.S. Code	2004	2005	2006
Soybean Meal a/	2304.00.0000	3 (1.8)	3 (1.8)	3 (1.8)
Peanut Meal	2305.00.0000	5	5	5
Cottonseed Meal b/	2306.10.0000	5 (2)	5 (2)	5 (2)
Linseed Meal	2306.20.0000	5	5	5
Sunflower Seed Meal	2306.30.0000	5	5	5
Rapeseed Meal	2306.40.0000	0	0	0
Copra Meal c/	2306.50.0000	5	5(2)	5(2)
Palm Kernel Meal d/	2306.60.0000	5	5(2)	5(2)

a/ the figure in parentheses is the agreed rate under the 1993 bilateral agreement.

b/ the in-quota tariff rate is in parentheses. The duty is assessed on the first 263,000 MT of cottonseed meal. The out-of-quota tariff rate is five percent.

c/ the in-quota tariff rate is in parentheses. The duty is assessed on the first 707,000 MT of copra meal. The out-of-quota tariff rate is five percent

d/ the in-quota tariff rate is in parentheses. The applied duty is assessed on the first 707,000 MT of palm kernel meal. The out-of-quota tariff rate is five percent.

Source: Korea Customs Service

SECTION II. STATISTICAL TABLES OF OILS

Soybean Oil PS&D

PSD Table

Country	Korea, Republic of					
Commodity	Oil, Soybean					
	(1000 MT)(PERCENT)					
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [	Estimate[1]	USDA Official [	Estimate[1]	USDA Official [	Estimate[New]
Market Year Begin	10-2004		10-2005		10-2006	MM/YYYY
Crush	997	975	1025	1000	0	1000 (1000 MT)
Extr. Rate, 999.9999	0.178536	0.182564	0.178537	0.18	0	0.18 (PERCENT)
Beginning Stocks	12	20	15	50	16	57 (1000 MT)
Production	178	178	183	180	0	180 (1000 MT)
MY Imports	244	244	240	250	0	250 (1000 MT)
MY Imp. from U.S.	0	14	0	0	0	0 (1000 MT)
MY Imp. from the EC	0	0	0	0	0	0 (1000 MT)
TOTAL SUPPLY	434	442	438	480	16	487 (1000 MT)
MY Exports	4	4	5	5	0	5 (1000 MT)
MY Exp. to the EC	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Consum	18	18	17	18	0	18 (1000 MT)
Food Use Dom. Consum	397	370	400	400	0	410 (1000 MT)
Feed Waste Dom. Consu	0	0	0	0	0	0 (1000 MT)
TOTAL Dom. Consumpti	415	388	417	418	0	428 (1000 MT)
Ending Stocks	15	50	16	57	0	54 (1000 MT)
TOTAL DISTRIBUTION	434	442	438	480	0	487 (1000 MT)
Calendar Year Imports	0	256	0	250	0	250 (1000 MT)
Calendar Yr Imp. U.S.	0	17	0	0	0	0 (1000 MT)
Calendar Year Exports	0	4	0	5	0	5 (1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0 (1000 MT)

Soybean Oil Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodity Oil, Soybean

Time Period **Oct/Sep** Units: **1000MT**
 Imports for: **2003** **2004**
 U.S. **11** U.S. **14**

Others		Others	
Argentina	189	Argentina	202
Brazil	9	Brazil	17
Total for Others	198		219
Others not Listed	2		11
Grand Total	211		244

Source: Korea Customs Service (KCS)

Palm Oil PS&D

PSD Table

Country	Korea, Republic of					
Commodity	Oil, Palm					
	(1000 HA)		(1000 TREES)		(1000 MT)	
	2004	Revised	2005	Estimate	2006	Forecast
	USDA Official [	Estimate[1]	USDA Official [	Estimate[1]	USDA Official [	Estimate[New]
Market Year Begin	10-2004		10-2005		10-2006	
	MM/YYYY					
Area Planted	0	0	0	0	0	0 (1000 HA)
Area Harvested	0	0	0	0	0	0 (1000 HA)
Trees	0	0	0	0	0	0 (1000 TREES)
Beginning Stocks	5	10	7	10	7	10 (1000 MT)
Production	0	0	0	0	0	0 (1000 MT)
MY Imports	228	228	240	230	0	235 (1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0 (1000 MT)
MY Imp. from the EC	0	0	0	0	0	0 (1000 MT)
TOTAL SUPPLY	233	238	247	240	7	245 (1000 MT)
MY Exports	0	0	0	0	0	0 (1000 MT)
MY Exp. to the EC	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Consum	18	20	19	20	0	20 (1000 MT)
Food Use Dom. Consum	183	198	196	200	0	205 (1000 MT)
Feed Waste Consumption	25	10	25	10	0	10 (1000 MT)
TOTAL Dom. Consumption	226	228	240	230	0	235 (1000 MT)
Ending Stocks	7	10	7	10	0	10 (1000 MT)
TOTAL DISTRIBUTION	233	238	247	240	0	245 (1000 MT)
Calendar Year Imports	0	235	0	230	0	235 (1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0 (1000 MT)
Calendar Year Exports	0	0	0	0	0	0 (1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0 (1000 MT)

Palm Oil Import Trade Matrix

Import Trade Matrix

Country Korea, Republic of

Commodity Oil, Palm

Time Period Units:
 Imports for:
 U.S. U.S.

Others		Others	
Malaysia	207	Malaysia	224
Indonesia	2	Indonesia	2
Total for Others	209		226
Others not Listed	4		2
Grand Total	213		228

Source: Korea Customs Service (KCS)

KOREA: Vegetable Oil Production 1/ (Metric Ton)			
Commodities	MY 2002/03	MY 2003/04	MY 2004/05
Soybean Oil	217,301	194,294	177,903
Corn Oil	48,041	46,077	43,299
Sesame Oil	25,989	21,774	22,413
Rice Bran Oil	10,000	10,000	10,000
Rapeseed Oil	431	402	640
Perilla Oil	12,610	17,470	17,694
Total	315,378	290,017	271,949

1/ FAS/Seoul estimates

Source: Agricultural Affairs, U.S. Embassy, Seoul

KOREA: Soybean Oil Production (Metric Ton)			
Month	MY 03/04	MY 04/05	MY 05/06
October	17,495	12,562	12,000
November	20,711	16,026	13,700
December	21,765	14,173	12,000
January	15,156	14,097	Na
February	17,089	14,810	Na
March	17,372	14,819	Na
April	16,538	14,536	Na
May	13,423	16,208	Na
June	14,180	14,672	Na
July	15,099	15,000	Na
August	13,507	17,000	Na
September	11,959	14,000	Na
Total	194,294	177,903	37,700
Extraction Rate	17.84%	18.24%	18.38%

Source: Korea Soybean Processing Association

KOREA: The Supply of Edible Oils (Metric Ton)			
Commodity	MY 2002/03	MY 2003/04	MY 2004/05
Soybean Oil	374,608	405,527	421,550
Palm Oil	207,704	212,799	228,351
Corn Oil	55,437	55,732	57,096
Rapeseed Oil	17,562	19,455	20,341
Coconut Oil	43,616	52,694	55,882
Cottonseed Oil	10,385	7,239	9,526
Sesame Oil	26,441	22,232	23,218
Rice Bran Oil	13,185	13,435	13,149
Perilla Oil	12,745	17,959	18,325
Fish Oil	6,658	9,288	10,104
Sunflower Oil	1,139	1,076	1,568
Total	769,479	817,436	859,110

Source: Agricultural Affairs, U.S. Embassy, Seoul

KOREA: Fats And Oils Imports (MT & US\$ 1,000, Oct./Sep.)				
Commodity	MY 2003/04		MY 2004/05	
	Volume	Value	Volume	Value
Palm Oil	212,799	107,370	228,351	100,946
Tallow	64,664	30,384	80,322	34,855
Coconut Oil	52,694	32,011	55,882	38,253
Cottonseed Oil	7,239	4,748	9,526	5,815
Fish Oil	8,288	9,864	9,104	10,895
Soy Oil	211,233	138,287	243,647	137,659
Corn Oil	12,130	9,655	13,797	10,364
Rapeseed Oil	19,052	13,398	19,701	12,696
Palm Kernel Oil	7,467	4,607	7,146	5,213
Tung Oil	5,041	7,306	4,242	7,437
Rice Bran Oil	3,435	2,906	3,149	2,697
Castor Oil	6,496	8,805	6,230	9,213
Linseed Oil	6,252	5,123	6,085	7,271
Sunflower Oil	1,076	1,525	1,568	2,461
Safflower Oil	104	306	165	368
Olive Oil	11,893	42,051	26,630	98,914
Jobba Oil	23	369	26	293
Peanut Oil	6	13	65	128
Sesame Oil	458	834	805	1,455
Perilla Oil	490	556	631	615
Camellia Oil	9	57	15	94
Other Oil	1,872	5,987	5,868	17,383
Total	632,721	426,162	722,955	505,025

Source: Korea Customs Service (KCS)

KOREA: Soybean Oil Imports for Oct.-Dec. by Origin (Unit: MT)					
MY2005/06	USA	Argentina	Brazil	Others	Total
Oct. 2005	19	23,458	2,313	3	25,793
Nov	71	19,820	2,543	4	22,438
Dec	18	19,410	2,040	21	21,489
Subtotal	108	62,688	6,896	28	69,720
MY2004/05 a/	81	53,589	3,571	7	57,248

a/ October – December 2004

Source: Korea Customs Service (KCS)

KOREA: Applied Tariff Schedule For Fats And Oils (Percent)				
Commodity	H.S. Code	General Rate	2005	2006
Lard	1501.00.10XX	3	3	3
Beef Tallow	1502.00.10XX	2	2	2
Other Tallow	1502.00.90XX	3	3	3
Fish Oil	1504.XX.XXXX	3	3	3
Soybean Oil a/	1507.XX.XXXX	8	5.4	5.4
Peanut Oil a/	1508.XX.XXXX	40	27	27
Olive Oil	1509.XX.XXXX	8	8	8
Palm Crude Oil	1511.10.0000	3	3	3
Palm Oil	1511.90.XXXX	2	2	2
Sunflower Oil	1512.1X.XXXX	10	10	10
Safflower Oil	1512.1X.XXXX	8	8	8
Cotton Seed Oil a/	1512.2X.XXXX	8	5.4	5.4
Coconut Oil	1513.1X.XXXX	3	3	3
Palm Kernel Oil	1513.2X.XXXX	8	5	5
Rapeseed Oil, Crude	1514.10.1000	10	10	8 b/
Rapeseed Oil, Refined	1514.19.1000	30	30	10 c/
Linseed Oil	1515.1X.XXXX	8	8	8
Corn Oil	1515.2X.XXXX	8	8	8
Castor Oil	1515.30.XXXX	8	8	8
Tung Oil	1515.40.XXXX	8	8	8
Sesame Oil d/	1515.50.XXXX	40	40	40

a/ Per Country Schedule.

b/ In-Quota for whole imported quantities.

c/ In-Quota for whole imported quantities under HS Code 1514.19.1000, 1514.19.9000, 1514.19.9000, 1514.99.1010 and 1514.99.9000.

d/ In-Quota tariff rate. Quota is 668 MT. The out-of-quota tariff rate is 630 percent or 12,060 Won/Kg, whichever is greater.

Source: Korea Customs Research Institute, Tariff Schedules for Korea